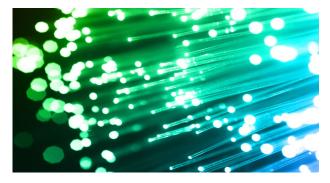


Network News

Quarter 2 2014



The GigE Plus Fiber Optic Network operates as a high capacity, backhaul network for providing high availability service to interconnected local Broadband Providers and Carriers. The backhaul network, also, facilitates the delivery of new and improved broadband services to rural and underserved communities in Ohio, Michigan and Indiana. The GigE Plus Fiber Optic Network was established through Independents Fiber Network, a wholly-owned subsidiary of Com Net, Inc. (CNI), that provides improved Ethernet connectivity for powering next generation voice, video and data services to its interconnected Broadband Service Providers.

GigE+ Deployment & Operational Updates

- GigEPAC
- The end of project close-out deadline was April 30, 3014 with the final project and audit report deadline being moved to July 30, 3014.
- As of May 2014, we have completed the Dayton Metro build, which was one of the routes remaining to be finished after the GigEPAC project ended on September 30, 2013.
- The network expansion project between Independents Fiber Network and their new coalition members, NetGain, Mecury and DRS, continues to move forward as planned. It is expected to carry through the third quarter of 2014.
- As of April 30, 2014, 40 new circuits have been activated. Upgrade moved and/or changes have been implemented on 28 existing circuits. The circuit backlog stood at 27 pending new circuit implementation, with four outstanding upgrade moves and/or chances to be implemented on existing circuits.
- Independents Fiber Network has seen end-users with three or more sites trending toward the use of E-LAN services over multiple E-Line or E-Tree services with Internet access and disaster recovery services hosted at a fully protected network transmission site or data center.
- To place an inquiry for Ethernet Transport Services through Independents Fiber Network or to view our network map, visit www.ifnetwork.biz.
- If you have an interest in the GigE Plus physical facilities and infrastructure services, such as occupancy and/or collocation, contact us at 800.634.4032.

Ohio Broadband Surpasses National Average

In June 2013, Connect Ohio announced that Ohio had nearly 100% broadband availability throughout the state. Now, nearly a year later, Connect Ohio has announced that the broadband adoptive rate in Ohio has surpassed the national average. The survey was conducted at the end of 2013, and reveals that 72% of Ohio households are subscribing to some kind of broadband service. The national average for broadband adoption is 70% according to The Pew Research Center.

As part of the survey, the results proved to show other interesting findings, such as:

- More than 481,000 school-age children in Ohio still do not have broadband access at home.
- More than 2.7 million working-age adults in Ohio need assistance with tasks that are required by employers, such as creating a spreadsheet, going online via a mobile device, using a word processor or sending an e-mail.
- More than 3 out of 4 non-adopters in Ohio say that it would be easier for them to shop, seek out healthcare information or interact with governmental offices if they had Internet access at home.

The survey was conducted in support of Connect Ohio's efforts to close Ohio's digital gap and explore the barriers of adoption rates among various demographics and the types of activities broadband subscribers do online, among other issues.



Network News

Modernizing E-Rate: Structural & Administrative Changes

Chairman Wheeler responded to letters on April 11th that asked the commission to take rapid action in reforming and modernizing the E-rate program. Chairman Wheeler said, "My goal for the commission is to adopt an order later this Spring that would implement fundamental structural and administrative changes to the E-rate program — results of which would go into effect in 2015."

Chairman Wheeler's comments lead up to the May 6th E-rate Modernization Workshop, which was to help cover topics like broadband-enabled opportunities for schools/libraries and to, also, ensure schools/libraries have affordable access to 21st century broadband.

On May 7th, 2014, NECA's Washington Watch reported results from the May 6th E-rate Modernization Workshop. Some key comments from the workshop include:

- 1. Over the next five years, the E-rate program will collect and distribute over \$12 Billion to fund information technology in the nation's schools/libraries.
- 2. Creating a student-centered E-rate program that focuses on the needs of children.
- 3. Implementing a program that replaces today's complexity with simplicity and fairly distributes E-rate funds by putting small, rural schools and libraries on equal footing as the larger, urban schools.

Prior to the May 6th meeting, however, NTIA suggested the FCC focus on:

- 1. Providing funds for high speed connectivity to both schools/libraries.
- 2. Improving data collection and transparency to create a program that is more efficient and easier to understand.

NTIA, also, provided recommendations:

- 1. The FCC should use additional funding to support the capital investment costs required to bring highcapacity broadband to schools/libraries.
- 2. The FCC needs to restructure the existing program to provide better support for high speed wireless networks within and beyond institutional walls.

Ultimately NTIA, and presumable the FCC, wants these modernization efforts to ensure all students, families and community members have access to the educational resources needed to develop 21st century skills.

Stay informed about the constant updates of modernization the E-rate program by subscribing to NECA's Washington Watch reports.

NTCA's Broadband Community Application

At the Ohio Telecom Association Conference, Shirley Bloomfield, CEO of NTCA, announced that beginning June 2, 2014, they would start accepting nominations for the 2014 Smart Rural Community Initiative. Some of you may be familiar with this from 2013 — but in case you are not, the Smart Rural Community Initiative is a recognition effort to award communities that make rural areas vibrant places in which to live and do business. A Smart Rural Community is considered to be a community that provides next generation applications and platforms such as improved healthcare infrastructure, smart home networks, precision farming, advanced public safety communications — just to name a few.

While applications are due by July 11th, we realize that it may not be feasible for us to nominate someone for the 2014 year. With that being said we would like to be proactive and start thinking about nominations for the 2015 Smart Rural Community award. On behalf of Independents Fiber Network, we would like to accept nominations during the two remaining quarters of 2014 and into the first quarter of 2015. From the nominees we receive, we will select a company and/or community to submit to NTCA's 2015 Smart Rural Community call for nominations.

*If you have a nomination you would like us to submit for 2014, please send us this information as soon as possible!



Network News

NTIA Initiative Updates as of May 2014

FirstNet Initiative:

- There were no updates from ConnectOhio during the second quarter meeting, held of Friday, April 25, 2014 in Columbus, Ohio, in regards to Ohio's initiative for FirstNet.
- According to NTIA, Ohio plans to conduct meetings in each county to engage local government entities and first responders, as well as solidify the future of a national public safety broadband network.
- CNI continues to stay in contact with INDATEL and the State of Ohio for progress updates in relation to the FirstNet initiative for Ohio.

ConnectEd Initiative:

 There are no updates directly dealing with "ConnectEd" for 2Q 2014; however, updates in regards to the E-rate Reform can be found above.

Industry Events

LRITA

April 17, 2014 Lima, OH

Ohio Higher Educational Computing
Council Conference

May 21-23, 2014 Kent, OH

OTA

May 27-29, 2014 Columbus, OH

INDATEL Summer Symposium

June 10-12, 2014 Nashville, TN

We welcome your comments, questions or suggestions.

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